



United States Department of Agriculture
Rural Development
Montana State Office

May 2, 2006

**MT AN No. 259
(1980-D)**

TO: All Housing and Area Office Staff
USDA, Rural Development, Montana

SUBJECT: Required Guaranteed Rural Housing (GRH) Documents

PURPOSE/INTENDED OUTCOME:

This Administrative Notice (AN) provides new procedures for the Area Office staff and State Office staff relative to GRH files and file submissions to the State Office. These procedures will vastly reduce the paperwork and filing space currently required for this program and convert the records from hard copy to electronic copy.

COMPARISON WITH PREVIOUS AN:

This AN replaces MT AN 238. This MT AN integrates the procedures and requirements of RD AN 4164 into the Montana GRH program area.

BACKGROUND

Area Office staff are no longer required to maintain a structured GRH loan file or file checklist. Loan packages submitted by the lender should be complete, underwritten and sufficient for the loan approval official (LAO) to make a decision. Once a loan is approved and the conditional commitment is issued, the lender then proceeds to close the loan. Rural Development (RD) receives the closing package and guarantee fee shortly thereafter and issues the Loan Note Guarantee. Thereafter loan files are forwarded to the State Office.

RD has been developing a scanning project which would allow essential documents identified in RD AN 4164 to be scanned into a software program. This program will become the storage vessel for all GRH loan files. All original loan documents (except 1980-21) will be destroyed. There will no longer be hard, paper files for GRH loans.

EXPIRATION DATE:
May 2, 2007

FILING INSTRUCTIONS:
Preceding MT Instruction 1980-D

P.O. Box 850 • Bozeman, MT 59771
Voice (406) 585-2580 • Fax (406) 585-2565 • TDD (406) 585-2562

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This scanning project is projected to take approximately 12 months. The project will begin with the scanning and indexing of documents for GRH loans currently being closed. The current inventory will be scanned with additional assistance.

IMPLEMENTATION RESPONSIBILITIES:

Once the file is complete and ready to forward to the State Office, Area Office staff are no longer to ship loans in a bound file. The attached Exhibit A, Guaranteed Rural Housing Checklist is to be placed on the top of the document packet. Place the attached Exhibit B, Patch 2 page between each document. Patch 2 pages will be recycled to the Area Offices and an initial supply will be provided. The document packets need to be clipped with a “Binder Clip” (do not punch holes in the documents or bind them in any other way). **All packets and all documents must be free of paper clips and staples.** The documents to be forwarded to the state office are identified on Exhibit A. The documents must be in the **exact order** as listed on the checklist. No other documents are to be forwarded. If the lender submitted ‘other’ documents with their package, the Area Office staff should shred them.

Upon receipt of Area Office document packages, the state staff will log all packages on our tracking log. We will then scan and index these packages. Once scanned, the submitted package will be shredded. The GRH Checklist will be maintained in a file to verify document transmission and scanning completion. The Form RD 1980-21 will be maintained in an alphabetical file.

All requests for copies of documents should be made through Molly Moore, Housing Programs Technician at 406-585-2515.

W.T. (Tim) RYAN
State Director

GUARANTEED RURAL HOUSING CHECKLIST

Borrower: _____ Loan Number: _____
Account Number: _____ Lender: _____

SUBMIT DOCUMENTS TO THE STATE OFFICE IN THE FOLLOWING ORDER

- _____ Request for Reservation of Funds – Form 1980-86
- _____ Conditional Commitment – Form 1980-18
- _____ Promissory Note
- _____ Guaranteed Loan Closing Report – Form 1980-19
- _____ Initial Application (hand-written) and Final Application (typed)
- _____ Employment/Income Verification
- _____ Credit Report
- _____ Request for SFH Loan Guarantee – Form RD 1980-21 (Original signatures required)
- _____ Agency's Environmental Review – Form RD 1940-22
- _____ Uniform Underwriting and Transmittal Summary – FNMA 1008
- _____ Loan Note Guarantee – Form 1980-17
- _____ Property Inspection or Lender's Certification that 1980.341(b)(2) has been met.
- _____ Appraisal Report
- _____ Administrative Appraisal Review – Form RD 1922-15
- _____ HUD-1 Settlement Statement
- _____ Waiver Approval
- _____ Running Case Record

Date Submitted to State Office: _____

For State Office Use Only

Date Received: _____

Date Scanned: _____

Scanned By: _____

Batch Number:

